

FISCAL NOTE
SB 2944 - HB 3340

February 5, 2004

SUMMARY OF BILL: Allows high school valedictorians and salutatorians from any state bordering Tennessee to enroll at the University of Tennessee at Martin at in-state tuition rates.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$382,500

Estimate assumes:

- there are a total of 2,860 high schools in states bordering Tennessee.
- only one valedictorian and one salutatorian from each high school in a bordering state.
- based on the total number of high schools, there would be two students from each high school, for a total of 5,720 students who would be in this category.
- the annual difference in out-of-state and in-state tuition is approximately \$7,650.
- Less than one percent or approximately 50 students would actually attend UTM for a cost of \$382,500 (\$7,650 x 50).
- since the funding formula calculation recognizes out-of-state tuition as a funding source, when out-of-state revenue decreases, the state's share of the formula costs increases. Therefore, it is assumed that lost revenues will be replaced with state funds.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director